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13 December 1962

MEMORANDUM TO : Chief, Finance Division

SUBJECT : Banknote Counting Machine

1. Pursuant to your request the writer discussed with officials of the Riggs National Bank their experience with the La Rue banknote counting machine. They had high praise for it. They said it was very dependable, needed minimum maintenance, and was a real timesaver. Both the Chief Teller and his assistant who demonstrated the machine for the writer said it was a good asset and used by all of the tellers to verify their cash (banknotes).

2. An inquiry was made with the U. S. Treasury Department who owns several of subject machines. The Treasury official contacted advised that the machine was excellent for counting new money and was used to verify all packages of new money. However, he advised that on "fit money" (Treasury term for other than new notes acceptable for circulation) they had experienced less satisfactory results because of pin holes in the banknotes. The counting machine operates on an air suction principle therefore pin holes will result in two bills being held together by air pressure and counted by the machine counter as one. The Riggs tellers stated that this was not a real problem as the package of notes could be reinserted in reverse. Seldom was a hand count necessary due to pin holes in both ends.

3. Whittaker Bros., 3807 Georgia Ave., RA6-3450, the local agent for subject machine, who services both the Riggs and Treasury machines, quotes the base price at \$2,450.00 plus an annual service contract of \$100.00.

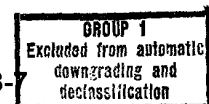
4. It is the writers opinion that the machine would be a real timesaver. It will count bank notes at a rate ten times faster than an average teller. For example  if it were to count its weekly  would be required to expend from three

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to four man hours or approximately half a man day whereas the machine could do the job in 20 to 30 minutes. Similarly at Headquarters the average weekly [ ] receipt of funds from Brinks, Inc. could be verified in 20 minutes in comparison to the nearly four hours currently required for an equivalent verification.

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5. The time saving factor is very important [ ]

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subject machine might be considered reasonable to maintain an adequate cash control at those stations where the cash volume along with other pressing duties makes it difficult if not impossible to verify all funds received and disbursed as set forth in the attached [ ]

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[ ]  
Chief, Monetary Branch

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